

STATE BONDING FUND  
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2006

	May-06				April-06				March-06				December-05				September-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Net	Net	6/30/2005	6/30/2005
LARGE CAP DOMESTIC EQUITY																								
Structured Growth																								
Los Angeles Capital	71,593	2.6%	2.8%	-3.18%	77,183	2.8%	2.8%	0.31%	76,812	2.8%	2.8%	4.95%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.46%	10.77%	7.56%	N/A	N/A
Total Structured Growth	71,593	2.6%	2.8%	-3.18%	77,183	2.8%	2.8%	0.31%	76,812	2.8%	2.8%	4.95%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.46%	10.77%	7.56%	7.46%	-9.18%
Russell 1000 Growth				-3.39%				-0.14%				3.09%				2.98%				4.01%	6.54%	1.68%	7.26%	-10.36%
Structured Value																								
LSV	75,837	2.8%	2.8%	-2.65%	77,314	2.8%	2.8%	2.86%	79,531	2.9%	2.8%	6.53%	73,722	2.8%	2.8%	1.52%	77,827	2.9%	2.8%	5.06%	13.77%	18.35%	14.73%	14.78%
Russell 1000 Value				-2.53%				2.54%				5.93%				1.27%				3.88%	11.39%	14.06%	11.00%	6.55%
Russell 1000 Enhanced Index																								
LA Capital	139,521	5.2%	5.6%	-3.31%	143,310	5.2%	5.6%	0.41%	142,541	5.2%	5.6%	4.96%	151,184	5.7%	5.6%	2.29%	154,375	5.8%	5.6%	6.45%	10.97%	7.93%	N/A	N/A
Russell 1000				-2.95%				1.20%				4.49%				2.12%				3.95%	8.94%	7.92%	N/A	N/A
S&P 500 Enhanced Index																								
Westridge	164,779	6.1%	5.6%	-2.86%	168,485	6.1%	5.6%	1.36%	166,031	6.1%	5.6%	4.25%	157,261	5.9%	5.6%	2.10%	149,468	5.6%	5.6%	3.64%	8.61%	6.58%	N/A	N/A
S&P 500				-2.88%				1.34%				4.21%				2.09%				3.60%	8.48%	6.32%	N/A	N/A
Index																								
State Street	50,509			-2.89%	51,653			1.34%	50,916			4.19%	48,257			2.07%	49,517			3.58%	8.41%	6.27%	8.22%	-2.45%
Total Index	50,509	1.9%	1.9%	-2.89%	51,653	1.9%	1.9%	1.34%	50,916	1.9%	1.9%	4.19%	48,257	1.8%	1.9%	2.07%	49,517	1.9%	1.9%	3.58%	8.41%	6.27%	8.22%	-2.45%
S&P 500				-2.88%				1.34%				4.21%				2.09%				3.60%	8.48%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	502,240	18.6%	18.8%	-3.01%	517,945	18.9%	18.8%	1.17%	515,830	18.9%	18.8%	4.88%	506,531	19.0%	18.8%	2.20%	508,482	19.0%	18.8%	4.97%	10.40%	8.89%	9.59%	-0.28%
S&P 500				-2.88%				1.34%				4.21%				2.09%				3.60%	8.48%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																								
Manager-of-Managers																								
SEI	161,520	6.0%	6.3%	-5.62%	171,220	6.2%	6.3%	0.28%	176,684	6.5%	6.3%	13.21%	170,567	6.4%	6.3%	0.95%	168,733	6.3%	6.3%	5.46%	14.08%	9.32%	13.32%	N/A
Russell 2000 + 200bp				-5.45%				0.15%				14.49%				1.64%				5.21%	15.93%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	161,520	6.0%	6.3%	-5.62%	171,220	6.2%	6.3%	0.28%	176,684	6.5%	6.3%	13.21%	170,567	6.4%	6.3%	0.95%	168,733	6.3%	6.3%	5.46%	14.08%	9.32%	13.32%	5.50%
Russell 2000				-5.62%				-0.02%				13.94%				1.13%				4.69%	13.84%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY																								
Large Cap - Active																								
Capital Guardian	100,185	3.7%	4.0%	-5.43%	110,332	4.0%	4.0%	2.35%	110,026	4.0%	4.0%	7.18%	121,236	4.5%	4.0%	9.64%	112,860	4.2%	4.0%	12.11%	27.52%	10.32%	7.44%	-3.80%
LSV	105,432	3.9%	4.0%	-4.24%	114,898	4.2%	4.0%	3.09%	114,282	4.2%	4.0%	11.19%	107,658	4.0%	4.0%	4.29%	113,701	4.2%	4.0%	11.20%	27.31%	N/A	N/A	N/A
Total Large Cap - Active	205,617	7.6%	8.0%	-4.82%	225,231	8.2%	8.0%	2.73%	224,308	8.2%	8.0%	9.17%	228,894	8.6%	8.0%	6.96%	226,561	8.5%	8.0%	11.67%	27.49%	13.23%	12.39%	7.26%
MSCI EAFE - 50% Hedged				-4.66%				2.85%				9.20%				5.84%				11.07%	25.88%	14.41%	8.84%	-2.61%
Small Cap - Value																								
Lazard	27,201	1.0%	1.0%	-5.10%	28,546	1.0%	1.0%	4.70%	29,461	1.1%	1.0%	10.94%	26,883	1.0%	1.0%	3.01%	27,176	1.0%	1.0%	9.94%	24.84%	18.18%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-5.40%				4.70%				9.34%				8.94%				12.05%	32.18%	21.33%	N/A	N/A
Small Cap - Growth																								
Vanguard	29,004	1.1%	1.0%	-4.93%	30,388	1.1%	1.0%	5.50%	28,480	1.0%	1.0%	13.70%	27,756	1.0%	1.0%	4.92%	27,496	1.0%	1.0%	10.41%	32.11%	24.11%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-5.40%				4.70%				9.34%				8.94%				12.05%	32.18%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	261,823	9.7%	10.0%	-4.86%	284,165	10.4%	10.0%	3.22%	282,248	10.3%	10.0%	9.81%	283,532	10.6%	10.0%	6.37%	281,233	10.5%	10.0%	11.37%	27.75%	15.34%	10.62%	-2.10%
MSCI EAFE - 50% Hedged				-4.66%				2.85%				9.20%				5.84%				11.07%	25.88%	14.41%	8.84%	-2.61%
DOMESTIC FIXED INCOME																								
Core Bond																								
Western Asset	517,904	19.2%	18.3%	-0.32%	517,923	18.9%	18.3%	-0.24%	512,171	18.8%	18.3%	-0.44%	498,621	18.7%	18.3%	0.28%	497,705	18.6%	18.3%	-0.41%	-1.12%	7.14%	7.36%	8.59%
Lehman Aggregate				-0.11%				-0.18%				-0.65%				0.59%				-0.67%	-1.02%	6.80%	5.75%	7.40%
Index																								
Bank of ND	467,198	17.3%	18.3%	0.06%	463,214	16.9%	18.3%	-0.32%	458,453	16.8%	18.3%	-0.95%	448,616	16.8%	18.3%	0.56%	460,176	17.2%	18.3%	-0.72%	-1.38%	4.59%	5.83%	7.36%
Lehman Gov/Credit (1)				-0.06%				-0.31%				-1.01%				0.60%				-0.96%	-1.74%	4.80%	5.82%	7.35%
BBB Average Quality																								
Wells Capital (formerly Strong)	517,698	19.1%	18.3%	-0.35%	515,512	18.8%	18.3%	-0.39%	510,456	18.7%	18.3%	-1.02%	497,583	18.7%	18.3%	0.58%	492,054	18.4%	18.3%	-1.05%	-2.21%	9.14%	9.20%	N/A
Lehman US Credit BAA				-0.41%				-0.36%				-1.20%				0.39%				-0.97%	-2.53%	8.60%	9.42%	N/A
TOTAL DOMESTIC FIXED INCOME	1,502,800	55.6%	55.0%	-0.21%	1,496,649	54.5%	55.0%	-0.31%	1,481,080	54.3%	55.0%	-0.79%	1,444,819	54.2%	55.0%	0.46%	1,449,935	54.2%	55.0%	-0.73%	-1.58%	6.14%	6.59%	7.79%
Lehman Aggregate (2)				-0.11%				-0.18%				-0.65%				0.59%				-0.67%	-1.02%	7.26%	6.41%	7.70%
CASH EQUIVALENTS																								
Bank of ND	275,037	10.2%	10.0%	0.46%	274,012	10.0%	10.0%	0.37%	273,636	10.0%	10.0%	1.17%	259,717	9.7%	10.0%	1.07%	267,314	10.0%	10.0%	0.93%	4.06%	2.46%	1.74%	2.68%
90 Day T-Bill				0.43%				0.34%				1.03%				0.92%				0.83%	3.60%	2.15%	1.55%	2.62%
TOTAL BONDING FUND	2,703,420	100.0%	100.0%	-1.49%	2,743,992	100.0%	100.0%	0.44%	2,729,478	100.0%	100.0%	2.39%	2,665,167	100.0%	100.0%	1.42%	2,675,696	100.0%	100.0%	2.15%	4.95%	6.62%	8.00%	4.21%
POLICY TARGET BENCHMARK				-1.37%				0.47%				2.29%				1.48%				1.78%	4.69%	6.74%	6.00%	3.83%